

REPUBLICAN CAUCUS

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**RYAN STATEMENT ON
OBAMA ADMINISTRATION'S FY10 BUDGET PROPOSAL**

House Budget Committee Ranking Republican Paul Ryan (R-WI) made the following statement regarding the Obama Administration's fiscal year 2010 budget proposal to Congress.

"In his Tuesday address to Congress, President Obama gave an eloquent commitment to addressing today's greatest challenges: the ongoing financial crisis, mounting job losses, unrelenting health care costs, and an unsustainable path of Federal spending and looming entitlement crisis.

"The President's opportunity to fulfill his rhetoric came today – in his first budget submission to Congress. Regrettably, the reality of the President's budget falls far short of his inspiring words; it is simply a continuation of the misguided notion that America can spend, tax, and borrow its way to prosperity.

"Despite his call for 'fiscally responsibility,' the President's budget promotes an ever-larger, more expensive Federal Government as the first, and seemingly only, answer to our nation's problems.

"And despite the urgent need for reforming our nation's largest – and least sustainable – entitlement programs, the budget's limited reforms are overwhelmed by its significant, costly entitlement expansions.

"Perhaps worst is the President's choice to increase taxes – on the very small businesses and investors we rely on to create jobs – in the midst of one of the most painful recessions in generations. And further tax hikes – the so-called 'cap-and-trade' taxes – will hit struggling families as they face soaring costs for heating their homes, filling their cars with gas, and paying their electricity bills. It will also strike a particularly damaging blow to those areas of the country, such as the Wisconsin district I serve, that rely heavily on manufacturing jobs.

"While these tax hikes have been touted as necessary to achieving the President's apparent feat of 'cutting the deficit in half,' this is an illusion aimed at claiming 'fiscal discipline.' According to CBO, the deficit would fall on its own – without the President or Congress doing anything. The increased tax burdens will be used simply to fuel the Administration's and Democratic Congress' plans for additional spending.

“In fairness, the President should be commended for correcting past budget flaws, particularly by indexing the alternative minimum tax [AMT] for inflation – and acknowledging the budgetary impact of this step. I am also pleased that this budget proposes means-testing the Medicare drug benefit, which I have always supported, and consistently included in the Republican budget substitute.

“Earlier this week, President Obama challenged Republicans to offer not only criticism when we disagree, but constructive alternatives. As Ranking Member of the House Budget Committee, I have done exactly that. In the past two years, we Republicans have offered complete alternative budgets that reduced deficits by controlling spending – not raising taxes. And last year, I introduced legislation – called A Roadmap for America’s Future – that restructures and strengthens our largest entitlements, reforms health care, and simplifies and modernizes our anti-competitive tax code.

“Where we can find common ground, I will readily work with the President to improve the lives of Americans today – and well into the future. But if reaching compromise means pursuing policies I believe will do more harm than good, I will instead continue to offer alternative fiscal policies that promote solid, sustainable economic growth, limit Federal spending to realistic levels, and set a path that ensures our nation can prosper in the future.”

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